



CONFIDENTIAL LETTER VIA FACSIMILE:

(213) 897-6561

May 17, 2011

Mr. Wayne Thomas
Senior Life Actuary
California Department of Insurance
300 South Spring Street, South Tower
Los Angeles, CA 90013

Dear Wayne:

As you have requested, I have enclosed two exhibits. The first shows the annual (2010) compensation of the ten most highly paid employees of Blue Shield of California. The second exhibit shows the percentage of compensation allocated to Blue of California Life and Health Insurance Company Officers under the Administrative Services Agreement for the eight officers of this company.

Because this information is not publicly disclosed, we request that you keep it confidential for use in your determination of whether the filed rate increase is unreasonable. If you have any questions on these exhibits, please let me know.

Sincerely,

A handwritten signature in dark ink, appearing to read "Edward C. Cymerys".

Edward C. Cymerys, FSA, MAAA
SVP & Chief Actuary

Department of Insurance
Guidance 1163:2

Section A. 8 Annual Compensation

Annual (2010) compensation of ten most highly paid employees of Blue Shield of California*

Position	Amount
Chief Executive Officer	\$4,601,226
Executive Officer 2	\$1,795,869
Executive Officer 3	\$1,300,923
Executive Officer 4	\$1,247,666
Executive Officer 5	\$942,547
Executive Officer 6	\$926,762
Executive Officer 7	\$902,987
Executive Officer 8	\$794,214
Executive Officer 9	\$785,554
Executive Officer 10	\$749,643

**The amounts above are the total amounts received by the listed Executive Officers and include any amount charged by Blue Shield of California to its subsidiaries such as Blue Shield of California Life and Health Insurance Company.*

Department of Insurance
Guidance 1163:2

Section A. 8 Annual Compensation

Annual (2010) compensation of all Blue Shield of California Life and Health Insurance Company Officers*

Position	Amount
Officer 1	\$352,332
Officer 2	\$274,486
Officer 3	\$127,291
Officer 4	\$115,060
Officer 5	\$60,643
Officer 6	\$55,605
Officer 7	\$42,465
Officer 8	\$23,000

**Blue Shield of California Life and Health Insurance Company ("BSL") has no employees. The company is operated pursuant to an Administrative Services Agreement by its parent company, Blue Shield of California ("BSC"). BSL's Officers are employees of BSC. The compensation reported above is the portion of each individual's compensation that BSC charges to BSL pursuant to the Administrative Services Agreement.*